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TO : Department of State 963 JUN 17 AM 8 15

FROM : Amembassy BRASILIA Office

DATE: June 7, 1963

SUBJECT: Minister of Agriculture Denounces Foreign Capital

REF :

Denouncing "parasitical foreign capital", Brazilian capitalist (and Minister of Agriculture) Ermirio de Moraes urged on May 16, 1963, that Brazil's patent law be repealed, because it is "a veritable attack on legitimately Brazilian interests, channeling out of the country fortunes conquered through coups of expertise". Speaking before a meeting of the left-wing Frente Parlamentar Nacionalista (FPN) in the Committee Room of the Chamber of Deputies' Economic Committee, Moraes said that "To encourage the industrialization and semi-industrialization of the country, without any link with parasitical foreign capital, would be a measure of salut public".

Moraes, according to a report carried in the moderate Correio da Manha under a May 16 dateline, reminded his listeners of his own "struggle of a number of years against the foreign trusts that seek to suffocate Brazilian industry, and delivered to the FPN a copy of a study which he had sent to India on "the problem of the 'royalties' that have bled the Brazilian economy so greatly".

The US-educated (Colorado School of Mines) Agriculture Minister urged the strengthening of nationalist reaction against the onslaughts of international groups, and quoted Woodrow Wilson to the effect that "we must husband our natural resources" (mistranslated by Moraes or the reporter as "give a husband to our natural resources"). He said that he had encountered every sort of difficulty in setting up Brazilian cement,

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FORM 4-62 DS-323

Drafted by: POL:CDKeyser:kma

Contents and Classification Approved by: J. Keppel

Clearances:

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Authority MND 939529

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Brazil,
AMB,
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USIS,
Econ,
POL I (5),
POL II,
Labor,
CF (3),
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aluminum, and nickel industries, "so great was the conspiracy of foreign companies, ever present in all the industrial enterprises of our country".

Morais assured his pro-agrarian reform audience that he was in favor of agrarian reform as a benefit to Brazilian industry. Agrarian reform, he indicated, should include a rational solution for the rural problem, a complete alteration of the structure of the Agricultural Development Bank (Banco de Desenvolvimento Agricola), and the adoption of measure of assistance to farm workers, such as crop insurance, to be funded with a small tax on agricultural loans. He said that he planned to present 14 agrarian reform measures to the May 17 cabinet meeting.

On the subject of the Brazilian aluminum industry, Moraes sought to demonstrate the peril represented by international monopolies by telling of "the struggle of Americo Janetti, an Italian immigrant who was forced to sell to the foreign trusts a small factory set up in Ouro Preto". Brazilian industry, Moraes said, is ready to manufacture 90 per cent of the equipment needed by the aluminum industry, being dependent on foreigners only for electronic apparatus. "We want no foreign technicians in our aluminum industry. I sought rolling equipment in the United States, France and Italy, and was greatly disappointed. Finally, in Italy, I succeeded in getting together the funds to create an enterprise. Of my three partners, one was seduced by high benefits of trusts interested in sabotaging the undertaking. For this reason, I support the Frente Parlamentar Nacionalista in its struggle for national emancipation. Only the nationalist countries win in this world".

On May 30, the Chamber of Deputies voted to call Minister Moraes to talk to the deputies on the subject.

For the Ambassador:

William Beal (per jk)
Williams Beal
First Secretary of Embassy

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